

Kevin A. Lake, Esquire (VSB# 34286)
VANDEVENTER BLACK LLP
P.O. BOX 1558
Richmond, Virginia 23218-1558
(804) 237-8811

Michael Reed, Esquire
McCREARY, VESELKA, BRAGG & ALLEN, P.C.
Attorneys for Claimants
P. O. Box 1269
Round Rock, Texas 78680
(512) 323-3200

Attorneys for Tax Appraisal District of Bell County,
County of Brazos, County of Comal, County of Denton,
Longview ISD, City of Waco, Waco Independent School
District, Midland Central Appraisal District, Taylor
Central Appraisal District, County of Williamson

IN THE UNITED STATES BANKRUPTCY COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

IN THE MATTER OF:

CASE NO. 08-35653

CIRCUIT CITY STORES, INC.

DEBTOR

CHAPTER 11

OBJECTION
TO CONFIRMATION OF PLAN OF REORGANIZATION

TO THE HONORABLE BANKRUPTCY JUDGE:

NOW COME Tax Appraisal District of Bell County, County of Brazos, County of Comal, County of Denton, Longview ISD, City of Waco, Waco Independent School District, Midland Central Appraisal District, Taylor Central Appraisal District, County of Williamson, hereinafter referred to as "Texas Ad Valorem Tax Claimants" or "Claimants", and file their Objection to the Confirmation of the Debtor's Plan of Reorganization, on the following ground:

I.

The claims of the undersigned are included in the class of claims described as Administrative Expense Claims.

II.

The secured claims of the undersigned are impaired under the Plan, and the Claimants have not accepted the plan within the time fixed to do so.

III.

The Plan provisions which deal with the secured claims of the undersigned fail to provide fair and equitable treatment to these secured claims as required by 1129(b)(1) and (2)(A) in that;

1. The Plan fails to expressly retain the statutory tax liens of these Texas Ad Valorem Tax Claimants for the 2009 tax year;
2. The Plan fails to expressly retain rights granted to these Texas Ad Valorem Tax Claimants under prior orders to the Court, including but not limited to that stipulation dated March 10, 2009, between the Debtors and these Texas Ad Valorem Tax Claimants;
3. The Plan fails to clearly provide that if the 2009 taxes of these Texas Ad Valorem Tax Claimants have not been resolved and paid prior to delinquency on February 1, 2010, they shall receive in addition to such claims, all penalties and interest to which they would otherwise be entitled under state law to the extent provided by 11 USC § 503(b)(1)(C).

IV.

These claims arise from property taxes for the tax year 2009 due on the debtor's property described as business personal property and real property located in these tax jurisdictions. The laws of the State of Texas; Property Tax Code, Section 32.05(b); give the tax liens securing the property taxes superior claims over any other claim or lien against this property. This state priority for tax liens is retained in the Bankruptcy Code giving these claims a superior position over all other claims against this property. *Stanford v. Butler*, 826 F.2d 353 (5th Cir. 1987), 11 USC § 506; Universal Seismic Associates, Inc., 288 F.3d 205 (5th Cir. 2002); In Re Winn's Stores, Inc., 177 B.R. 253 (Bkcty W.D. Tex 1995).

V.

The inclusion of the following language in the Order Confirming the Plan would be adequate to enable these Texas Ad Valorem Tax Claimants to withdraw their Objection to Confirmation:

The statutory tax liens of the Texas ad valorem tax claimants for the 2009 tax year shall remain in full force and effect until all taxes, penalties and interest secured by those liens have been paid in full, and prior orders of the Court addressing these claims, including but not limited to that stipulation dated March 10, 2009, between the debtors and these taxing authorities, shall remain in full force and effect until these claims have been satisfied. To the extent that these taxes for the 2009 tax year have not been resolved and paid prior to delinquency on February 1, 2010, they shall receive in addition to such claims, all penalties and interest to which they would otherwise be entitled under state law to the extent provided by 11 USC § 503(b)(1)(C).

VI.

WHEREFORE, these Texas Ad Valorem Tax Claimants object to confirmation of the Plan due to noncompliance with the provisions of § 1129(b)(1) and (2)(A) of the Bankruptcy Code, and further request other and such relief as is just and proper.

Dated: November 16, 2009

Respectfully submitted,

s/ Kevin A. Lake

Kevin A. Lake, Esquire (VSB# 34286)
VANDEVENTER BLACK LLP
P.O. BOX 1558
Richmond, Virginia 23218-1558
(804) 237-8811
Local Counsel

Michael Reed, Esquire (State Bar Number 16685400)
McCREARY, VESELKA, BRAGG & ALLEN, P.C.
Attorneys for Claimants
P. O. Box 1269
Round Rock, Texas 78680
(512) 323-3200

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CERTIFICATE OF SERVICE

I hereby certify that I have placed a copy of the above Objection to Confirmation of the Plan of Reorganization to the following parties by facsimile or overnight delivery and to those parties listed on the Court's Notice of Electronic Filing by means of Electronic Notification on November 16, 2009.

Circuit City Stores, Inc. 4951 Lake Brook Drive Suite #500 Glen Allen, VA 23060 (Attn: Michelle Mosier)	Counsel For The Debtors: Skadden, Arps, Slate, Meagher & Flom LLP One Rodney Square 10th and King Streets, 7th Floor Wilmington, DE 19801 (Attn: Gregg M. Galardi and Ian S. Fredericks) Fax: 302.651.3001
Skadden, Arps, Slate, Meagher & Flom LLP 155 N. Wacker Drive Chicago, IL 60606 (Attn: Chris L. Dickerson and Jessica S. Kumar) Fax: 312.407.0411	McGuire Woods LLP One James Center 901 E. Cary Street Richmond, VA 23219 (Attn: Douglas M. Foley and Sarah B. Boehm) Fax: 804.775.1061
Counsel For The Creditors' Committee: Pachulski Stang Ziehl & Jones, LLP 10100 Santa Monica Boulevard, 11th Floor Los Angeles, CA 90067 (Attn: Jeffrey N. Pomerantz and Stanley E. Goldich) Fax: 310.201.0760	Pachulski Stang Ziehl & Jones, LLP 780 Third Avenue, 36th Floor New York, NY 10017 (Attn: Robert J. Feinstein) Fax: 212.561.7777
Tavener & Beran, PLC 20 N. Eighth Street, Second Floor Richmond, VA 23219 (Attn: Lynn L. Tavener and Paula S. Beran) Fax: 804-783-0178	The United States Trustee 701 East Broad Street, Suite 4304 Richmond, VA 23219 (Attn: Robert B. Van Arsdale)

/s/ Michael Reed

Michael Reed